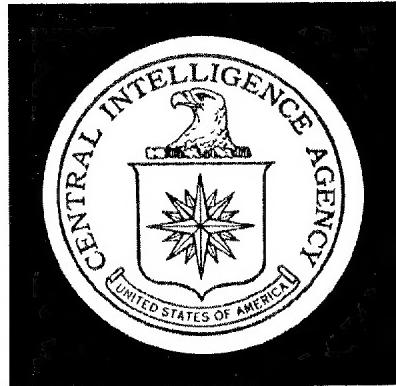


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MEMORANDUM

Arab Territories Under Israeli Occupation

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CENTRAL INTELLIGENCE AGENCY
20 June 1967

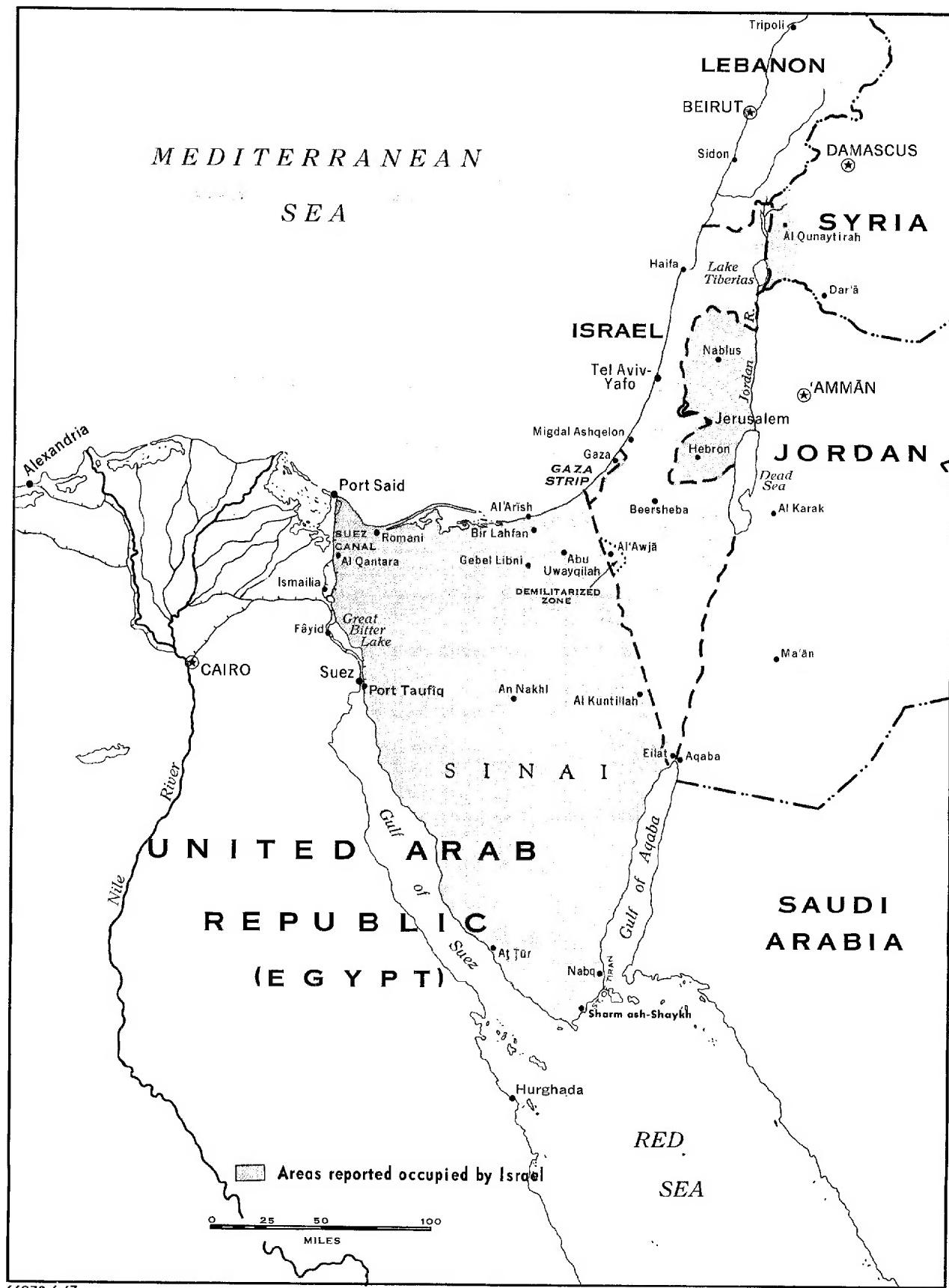
Arab Territories Under Israeli Occupation

C O N T E N T S

- I. DATA ON ARAB AREAS UNDER ISRAELI OCCUPATION
- II. COSTS TO ISRAEL OF CONTROLLING AND ADMINISTERING OCCUPIED ARAB TERRITORY

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I. DATA ON ARAB AREAS UNDER ISRAELI OCCUPATION

Summary

The areas of Jordan, Syria, and the United Arab Republic now occupied by Israel provide notable security advantages. The more than 1,000,000 Arabs living in these areas, however, present sizable economic and population control problems.

	<u>Population</u>	<u>Area in Square Miles</u>	Rural Population Density (Per Sq. Mile)	<u>Refugees Registered With UNRWA</u>	<u>Food</u>
West Jordan	850,000	2,200	250	487,000	Deficit
Syrian High-land	100,000	500	200	14,000	Surplus
Gaza Strip	400,000	140	3,000 plus	300,000	Deficit
Sinai	<u>45,000</u>	<u>23,200</u>	<u>less than 1</u>	<u>--</u>	
TOTALS	1,395,000	26,040	--	801,000	

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West Jordan

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WATER DIVERSION

PROJECTS

ARAB ISRAELI

- Canals
 - Completed
 - Proposed
- * * * * Pipelines
 - Completed
 - Proposed
- Proposed dam
- Tunnel
- Pump station
- Siphon

• UNRWA Refugee Camp

MEDITERRANEAN SEA

JORDAN

DEAD SEA

ISRAEL

SALT PANS

0 10 20 Miles

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West Jordan

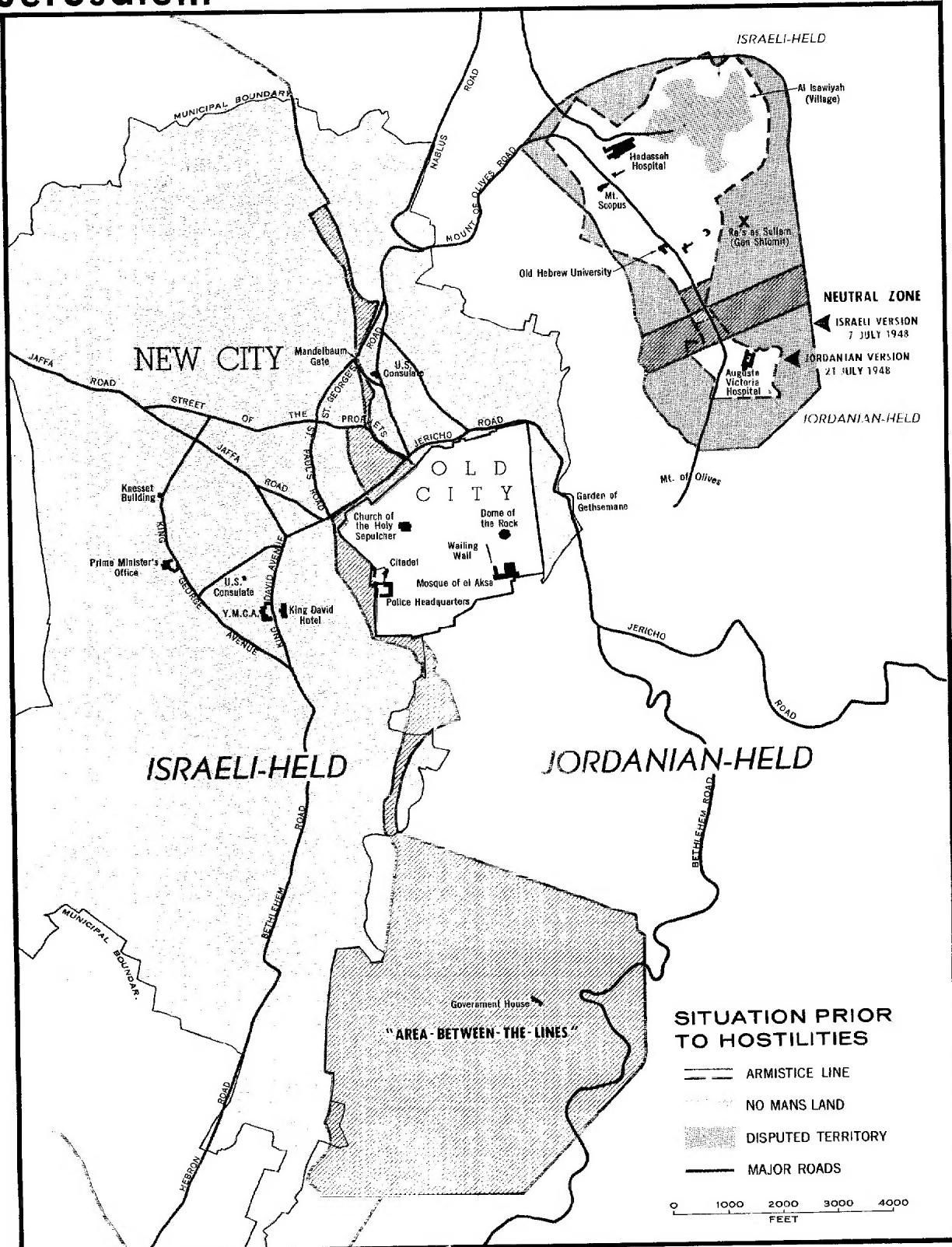
West Jordan is a rocky hill area 80 miles long north to south by 30 miles east to west with a population of approximately 850,000 people. The area occupies only six percent of the total land area of Jordan but it contains 47 percent of the people. Some 65 percent of the population are rural villagers. The average density of the rural population approximates 250 persons per square mile. The heaviest concentrations of people are found on the relatively well-watered slopes facing the Mediterranean Sea. Very few people reside on the steep, barren land facing the Jordan Valley. Little water is available for irrigation and all of the limited arable land is devoted to olive groves, small orchards and vegetable gardens, and dry farming of grain on rocky hill-sides. Goats and sheep forage among the rocks where the land is not suited to cultivation. Since 60 percent of the food value in the diet of local people is based on grain products in this grain-deficit area, near-famine conditions occur in drought years in spite of relief provided by the United Nations and private charities.

Palestine refugees registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) make up almost 60 percent of the total population of West Jordan. They numbered 486,956 on 30 June 1966. The majority of these people are receiving UNRWA rations in some form and a hard core of some 170,000 unskilled workers and their families are permanent residents of 21 UNRWA operated refugee camps.

An area of West Jordan west of a line along the highest ground (shaded red on the map), the possession of which would improve the security of the Israeli coastal plain, amounts to some 1,100 square miles. Within this area are the City of Jerusalem, the most desirable farmland, about 65 percent of the West Jordan population, and 10 refugee camps with 50,000 residents.

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Jerusalem



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Jerusalem

Arab Jerusalem, Jordan's third largest city, covers an area of a little more than one square mile and has a population of some 85,000 including a sizable Christian element. The walls of the Old City enclose only about .3 square mile which includes a crowded residential area and most of the Jewish, Muslim and Christian shrines. A more modern residential area lies north of the Old City. Tourism centered on religious activities is the most important economic activity in Arab Jerusalem and has been an important source of Jordan's foreign exchange earnings. The only airport serving Jerusalem is on the Jordanian side five miles due north of the city.

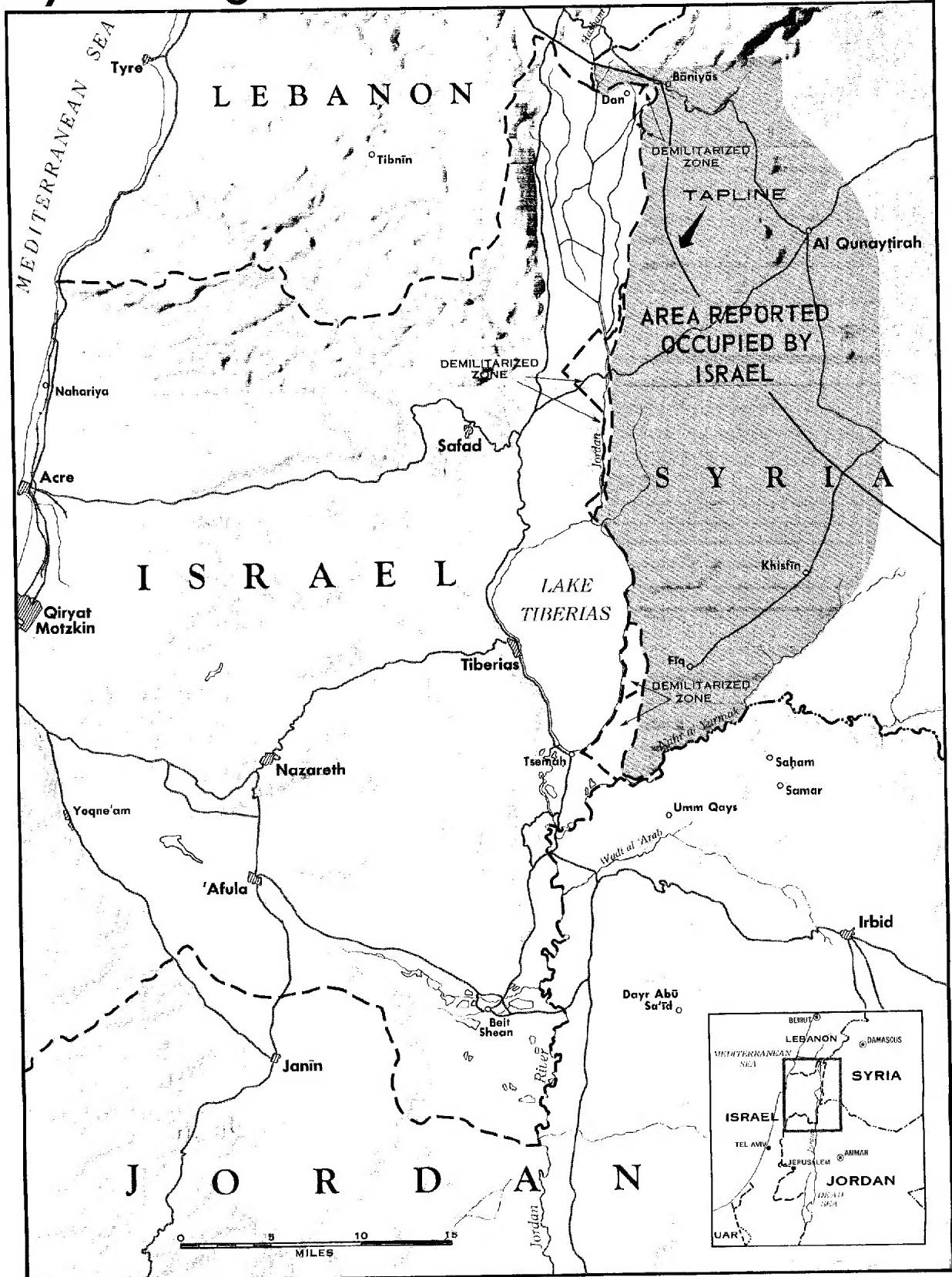
The entire city of Jerusalem has a population of about 275,000 and covers an area of slightly less than five square miles. The Jewish sector, usually referred to as the New City, has a population of 190,000 and spreads over about 3-1/2 square miles. Government and business occupy the center of the New City. New suburbs have sprung up in the northern part of town, and the southern half of the city is also largely residential. Light industry has been actively encouraged in the northwest section and military installations are scattered across the entire Jewish sector.

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Syrian Highlands



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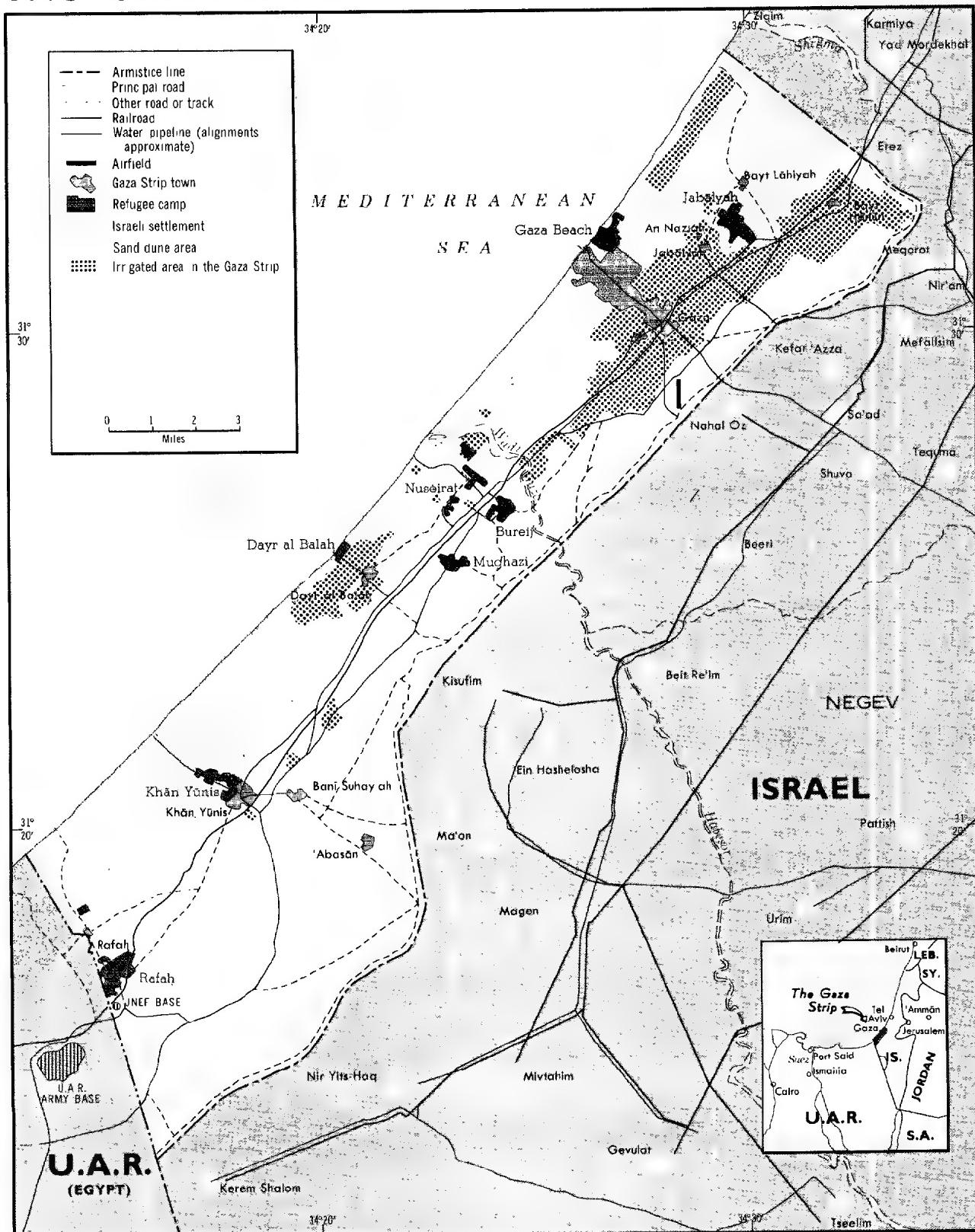
Syrian Highlands

Occupation of the southwestern highlands of Syria greatly improves Israel's ability to protect her settlements in the Upper Jordan Valley. In addition, occupation of these highlands gives Israel control of the Baniyas River--a major source of the Jordan River--and an opportunity to press for control of Yarmuk River waters. The projected Arab canal for diversion of headwaters of the Jordan River to the Yarmuk River crosses Israeli-occupied territory. In addition, the Trans-Arabian Pipeline crosses this territory en route from the Persian Gulf to the Sidon Terminal in Lebanon.

The occupied territory is some 40 miles long by 12 miles wide and comprises about 500 square miles of semi-arid hills and rolling plains. The terrain rises abruptly eastward to elevations 2,000 feet above the Jordan Valley and then slopes to the northeast. An estimated 100,000 Syrian villagers are engaged primarily in raising wheat and livestock in the area. When rainfall is short, this is a food deficit area. The rural population density, approximately 200 persons per square mile, is high for Syria. Qunaytirah, a town of some 25,000 people, is the only large settlement. Approximately 14,000 refugees registered with UNRWA are living in the area.

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THE GAZA STRIP



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The Gaza Strip

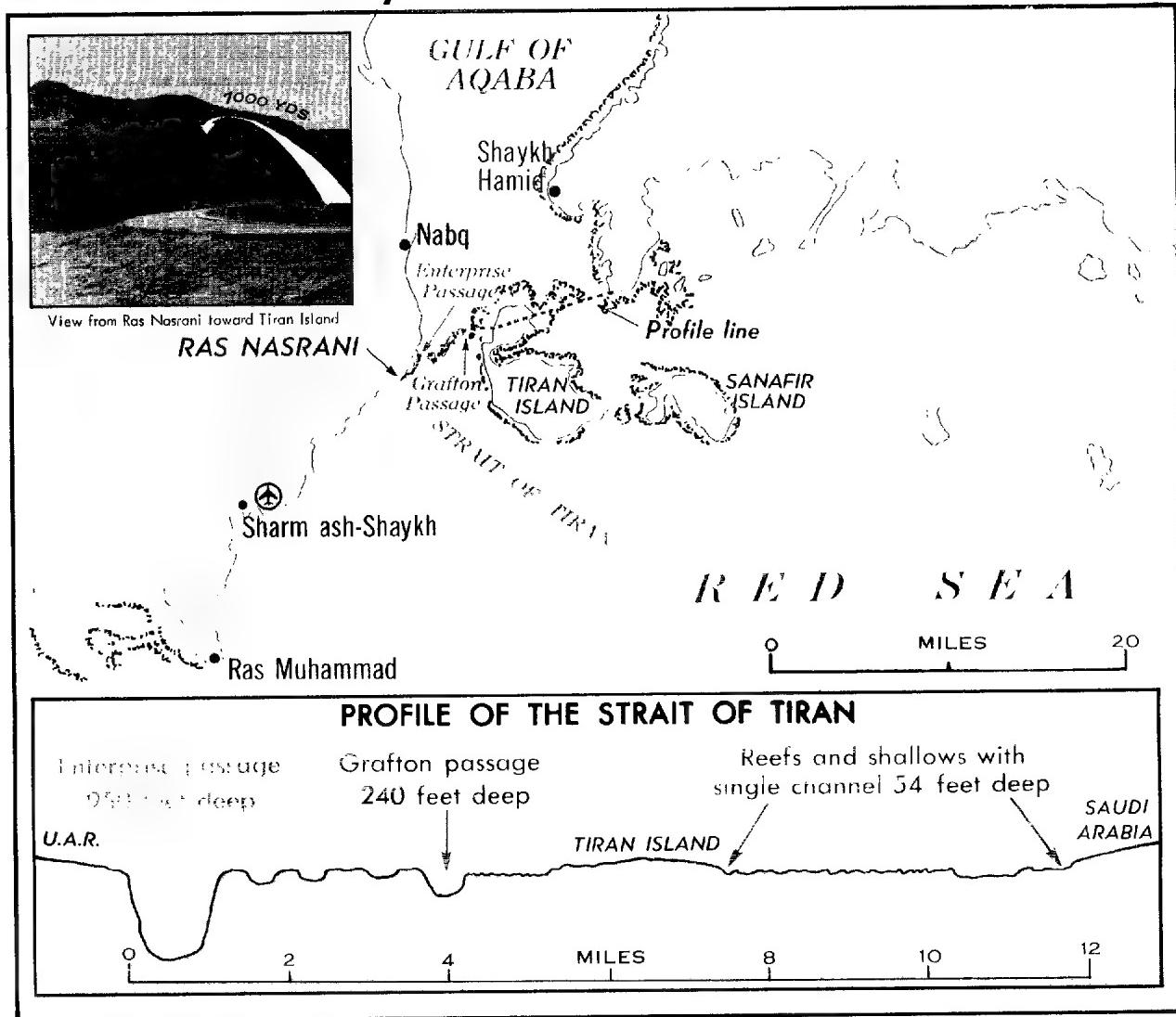
The Gaza Strip is a dry patch of coastal plain less than 30 miles long and varying in width from 4 to 8 miles. The present population is more than 400,000 of whom more than 300,000 are registered refugees. Most people are clustered in a few densely populated communities, including refugee camps. About 100,000 live in Khan Yunis, some 50,000 in the town of Gaza, and 7,000 in the village of Rafah. More than 195,000 persons reside in the eight refugee camps that are strung out the length of the Strip. Although the population density of the Strip is more than 3,000 persons per square mile, there are some coastal dune and desert areas which are virtually empty.

The largest employer in the past was the Egyptian military government which had a payroll of some 7,000 persons. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) employed about 3,600 persons, all but a dozen of whom were Palestinians. The United Nations Emergency Force (UNEF) had a local staff of more than 1,500 and occasionally employed an additional 6,500 laborers. Some 35,000 to 40,000 seasonal agricultural jobs have not customarily paid a living wage.

Agriculturists working in the Gaza Strip during the 125-day Israeli occupation in 1956-57 estimated that if the Strip were tied to the nearby irrigation network of Israel and the water used to full advantage, the potentially self-supporting segment of the population could be doubled--an increase from 80,000 to 160,000 persons. Portions of the Strip are well suited to citrus production, but there is little substance in local boasts that the entire area could be turned into a citrus grove. Most of the gainful employment would be generated through agricultural production and marketing, but the increased income would promote additional jobs in other sectors of the economy. Even full development of the agricultural potential, however, could not meet the needs of the area and would still leave more than 220,000 dependent persons.

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Sharm ash-Shaykh



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Sinai

A largely barren and inhospitable area, Sinai has a population of only about 45,000, two thirds of whom live in the vicinity of Al-Arish on the Mediterranean Coast. An area of great importance to Israel is Sharm ash-Shaykh. Occupation of this area gives Israel control of the approaches to the Strait of Tiran--the entrance to the Gulf of Aqaba. Sharm ash-Shaykh itself is a small bay backed by a narrow coastal plain and rugged, arid mountains. The small jetty and an adjacent airfield suitable for C-47 aircraft make the site convenient as a base of operations. Egyptian, United Nations, and Israeli forces have all used the area as a base camp in the past. Actual control of the strait, which narrows to less than 5,000 yards, is easily exercised from Ras Nasrani on the Sinai mainland due west to Tiran Island. The center of Enterprise Passage, the most favorable channel, lies on the west side of Tiran Island approximately 1,000 yards off Ras Nasrani, while Grafton Passage is 3,500 yards farther. There is a narrow, twisting passage east of Tiran Island, but it is not considered safe for ocean shipping.

Southern Sinai is virtually uninhabited rocky wasteland. The amount of territory Israel might consider necessary to protect a force stationed at Sharm ash-Shaykh is unknown.

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II. COSTS TO ISRAEL OF CONTROLLING AND ADMINISTERING OCCUPIED ARAB TERRITORY

In five days of hostilities Israel brought under its control a total of 26,040 square miles of Arab territory. This area includes the sparsely populated Sinai desert and the heavily populated West Bank area of Jordan. Israel has the military means to defend this territory, but it will need to keep a larger than normal force on active duty to control it. Tel Aviv has already demobilized substantially from the peak it reached during hostilities, but a total of around 125,000 men will probably have to remain under arms for a considerable time. We assess below the economic costs of maintaining this extra mobilization and of administering the captured areas.

The cost to Israel of occupying the conquered territories is estimated to be about \$10 million a month, consisting almost entirely of expenditures for the Israeli military and for food relief. Such costs are well within the country's financial resources. They amount to less than four percent of GNP and about seven percent of total government expenditures in 1966. The war-induced foreign remittances already received by Israel would cover these expenditures for several months. Moreover, there is enough slack in the Israeli labor market to supply military needs for labor due to occupation without affecting the civilian economy significantly.

The additional military expenditures attributable to occupation are estimated at about \$8 million monthly. This estimate is based on a force level of 125,000 men compared with a normal 80-85,000 for the regular army, air and naval forces, paramilitary forces, and reservists on duty. The increase over normal levels is 40-45,000 reservists. This force would cost from \$7.8 to \$8.7 million a month. Additional logistical support in the Sinai would be less than \$0.5 million. The principal item is operation and maintenance of about 300 2 1/2-ton trucks to carry water, food, and other supplies. Monthly cost of this service is estimated to be up to \$300,000.

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No allowance is made for additional logistical support in Syria, Gaza, or Jordan because such costs would be largely offset by reductions in training exercises, normally a large item in Israeli military expenditures.

At least initially the occupied areas probably will be an economic liability for Israel, but the cost of supporting their populations will be small. Most local needs for services, such as police and health care, will continue to be provided by locals. What manufacturing there is in these areas is based mainly on local supplies and most of it should continue. The West Bank produces considerable quantities of vegetables and fruit and some grain, but is a grain deficit area. The Gaza Strip produces little of its food needs. The occupied areas are unlikely to export nearly enough goods to pay for imports from Israel, but should soon attract a great many tourists, particularly to Jerusalem. The expenditures of these tourists could, in time, transform the occupied areas from an economic liability for Israel into an asset.

The cost of supplementing local supplies of food and other essential commodities in the occupied areas is estimated to be about \$1 million a month, excluding the cost of supporting refugees under UNRWA programs. The population of the Gaza Strip is about 400,000 and that of the West Bank about 850,000. The population of Sinai is very small; that of occupied Syria numbers about 100,000 and is largely self-supporting. It is assumed that about 150,000 people in Gaza not supplied food by UNRWA and half or more of the 487,000 refugees on the West Bank not receiving UNRWA aid (some 250,000) will have to receive some help from Israel. The extent of Israeli assistance probably would not exceed the average UNRWA ration of \$2 to \$3 a month.

Continued partial mobilization probably would have little or no negative effect on the Israeli economy at least for several months. Keeping 40-45,000 reservists in the armed forces will not strain the labor supply because most of the skilled managerial and technical people needed in the civilian economy will be released quickly and many of the less skilled people would have difficulty finding civilian

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employment if they were discharged even though demand for civilian labor probably has increased somewhat as a result of the war. Just before the crisis, Israel had a great deal of unemployment--up to 80,000.

Occupation and continued mobilization will not strain Israel's foreign exchange supplies. Just before the crisis, gross holdings of gold and foreign exchange were more than \$600 million, adequate under normal conditions to cover about nine months' imports. These reserves probably have increased as a result of the crisis thanks to a massive inflow of remittances. Remittances from the US alone amount to several tens of millions of dollars and additional large sums almost certainly are being obtained in Europe. The increase in remittances probably has more than paid for the foreign exchange costs of the war, which include the loss to date of \$2 to \$3 million in tourist receipts (these have been running about \$4.6 million a month) and probably some slight increase in imports and reduction in exports. Moreover, prospects for the balance of payments are favorable. Remittances will decline in time but tourist earnings will boom; exports should proceed normally; and any increase in import requirements due to occupation and mobilization will be small.

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